

**United States Environmental Protection Agency
Criminal Investigation Division
Investigative Activity Report**

Case Number

0506-0026

Case Title:

Ferguson Enterprises Inc.

Reporting Office:

Detroit, MI, Resident Office

Subject of Report:

Contact with (b)(6), (b)(7)(C), (b)(7)(D) Michigan Department of Environmental Quality

Activity Date:

April 12, 20

Reporting Official and Date:

(b)(6), (b)(7)(C), (b)(7)(D) RAC

16-APR-2012, Signed by: (b)(6), (b)(7)(C), (b)(7)(D) RAC

Approving Official and Date:

(b)(6), (b)(7)(C), (b)(7)(D), SAC

16-APR-2012, Approved by: (b)(6), (b)(7)(C), (b)(7)(D), ASAC

SYNOPSIS

On April 12, 2012, U.S. EPA CID Special Agent (b)(6), (b)(7)(C) served (b)(6), (b)(7)(C), (b)(7)(D) Michigan Department of Environmental Quality (MDEQ), with a trial subpoena for (b)(6), (b)(7)(C) testimony in the upcoming Garden View Estates (GVE) matter. (b)(6), (b)(7)(C) provided SA (b)(6), (b)(7)(C) with the following update on the soil contamination issue at the GVE site.

DETAILS

On April 12, 2012, U.S. EPA CID Special Agent (b)(6), (b)(7)(C) served (b)(6), (b)(7)(C), (b)(7)(D) Michigan Department of Environmental Quality (MDEQ), with a trial subpoena for (b)(6), (b)(7)(C) testimony in the upcoming Garden View Estates (GVE) matter. (b)(6), (b)(7)(C) provided SA (b)(6), (b)(7)(C) with the following update on the soil contamination issue at the GVE site. (b)(6), (b)(7)(C) explained that the current developer of the site, Gardenview Development Corporation LLC, which is affiliated with Wyndham, submitted a Rule 381 plan to the MDEQ. The 381 plan was eventually approved by the MDEQ and thereby authorizes Gardenview Development to receive tax credits for the handling of the contaminated soils on site. This tax credit program is a function of the State of Michigan's Brownfield Refinancing Act. The tax credits apply for the soil remediation and removal from the areas of the site which will be redeveloped for individual residential purchase. Gardenview Development made the decision to remove the contaminated soils verses installing a clean soil barrier in order to avoid the deed restrictions which would have been necessary if they had not removed the contaminated soils. (b)(6), (b)(7)(C) said (b)(6), (b)(7)(C) have to check (b)(6), (b)(7)(C) files to recall the exact dollar amount of tax credits Gardenview Development was authorized for. Gardenview conducted a sampling study in hopes of showing that the soil contamination was not statistically significant. However, the results of this study showed that elevated levels of lead and arsenic were throughout the portions which were designated for individual residential ownership. This area of the site has yet to be given a phase designation. Norstar is currently building on Phases 3A and 3B. Phases 3C and 3D are slated to be a senior citizen high rise.

(b)(6), (b)(7)(C) commented that due to the repeated grading of the site and the importation of unknown, untested soils at this site it is impossible to know exactly where the contamination came from.

Later this day, (b)(6), (b)(7)(C) emailed SA (b)(6), (b)(7)(C) a copy of the Rule 381 approval letter issued by the MDEQ. (See Attached)

ATTACHMENT

Rule 381 letter